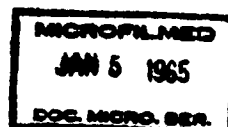


*Army***SECRET***12P***APPENDIX "A"****TO****ECR-1128****Project BARK****FOR COORDINATION WITH** *US Army**in Table # 6**MA SA 447***SECRET** ()

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 NAZI WAR CRIMES DISCLOSURE ACT
 DATE 2008

PROPOSAL

~~SECRET~~

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VI. SUMMARY

PROPOSAL

References and relations in reorganizing the Hungarian Intelligence.

Remarks: The author of this proposal did not, and does not now have any connections with foreign intelligence agencies. He has studied and observed the problem for many years and completely understands the inner functions of the organization. He would like to show how the proposal can succeed in its entirety. The proposal is in draft form on a few pages, presented in a manner as to show the highest intentions, the duties and functions, and the results produced by the organization without going into full details.

I. SITUATION

1. General

There are no signs that the Soviet Union has given up her plan to rule the world. The diplomatic play-acting is continuous and without change. She works for the downfall of the Western Allies even if open warfare is necessary. She spreads strong propaganda in Europe, the previous breeding grounds of capitalistic wars. The intention of the Soviet Union in the Far East is to consolidate the countries and then occupy the USA's strength fighting the hundreds of millions of Asians there. Furthermore, it will be so. It is without doubt that a general shooting war in this area, or from this area, will start sooner or later. The given situation and its expected formation indicates the significance of Europe. The Soviet goal is to be reached without regard to the well-being of the countries behind the Iron Curtain.

2. Intelligence References and Relations

The most important goal of the world-breaking dictators is: Spiritual and mental destruction, and the undermining of economic and military powers.

Methods: Penetration and infiltration

Agencies: The various Communist Parties and fifth column organizations.
The smallest unit is coordinated and receives full support for intelligence purposes.

The dictators are few in the world and they rule the people with strength, usually against the people's will. Because of this, there is continuous internal strife in the Soviet Union. In addition, she is now exposed to continuous outer dangers since she has provoked the whole free world's opinion against herself. The internal and outer dangers are on a high level. Naturally, the life of the Party depends on military strength, complete security, and preventive measures. The Soviet's total intelligence and security measures have, in the eyes of the people, built a democratic way of life. The people are held together by various means of propaganda against other nations. The democracy is "Soviet type" and security measures keep foreign elements from entering their doctrines. The

intelligence problem in the final outcome between dictators and democracies lies in their differences in their original structures. The dictatorial structures use force and fear to gain subversion and intelligence, while the democracies can not and do not resort to those methods to gain intelligence. In practice, it means that on one side Moscow intelligence agents can sit in parliaments, in foreign offices and can possibly hold key positions in the Army, while the officials of foreign delegations are not permitted freedom of movement in Moscow. The Communist delegates in Western countries travel freely and go wherever they are ordered by the Kremlin, while in Soviet-controlled areas, even foreign broadcasts are banned.

3. Hungarian References and Relations.

The occupied country and the defensive strength:
In the present world political situation, Hungary is one of the most important countries behind the Iron Curtain for intelligence gathering. Geographically, Hungary holds a key position, an opening to the countries in the West, Austria, Trieste, Italy; in the South: Yugoslavia, and the Adriatic Sea. These are the most likely directions of attack by the Soviets. All signs indicate that the Carpathian Valley will be the Soviet Army's biggest cemetery. In the neighboring countries, Czechoslovakia, Carpathian Ukraine, Rumania, Yugoslavia, close to three million Hungarians, who are a minority, can bring about this event in the Carpathian Valley. The origin, the language and religious background are the greatest enemies of the Bolshevik Government. Important communication and transportation routes cover the area of the Danube. This area also contains important industrial and agricultural areas, oil and aluminum. It is situated close to areas important to the West. The Soviets recognized the importance of the Hungarian military, political and intelligence agencies and for this reason quickly built a security and defensive organization in the country. The Hungarian Communist leaders have eliminated all opposition from positions of trust. Collectively, they liquidated the middle class, squeezed out the parliament, and got the farmers to work under force and control. The political police are everywhere and control everything. All Communist Party members are potential intelligence agents. The complete private life is under surveillance, i.e., letters, travel, and telephone conversations. The borders close to Western countries are closely guarded and the houses and buildings were taken over by Russian soldiers in these areas. Travel in the border areas is restricted and it is only a matter of time before the whole country falls under this restriction. Few outsiders can enter the country and if they do, they are closely watched. Foreign enterprises within the country were liquidated. The country is hermetically sealed from the free world and only a few have been permitted to leave. Using the plan system, they paint a false and distorted picture of the outside world, and the public is without any information to learn the truth. Under the pretext that foreign spies are infiltrating the country, they keep the population under a nervous strain. Even under these circumstances, the population is anti-Bolshevik and hates the government and is willing to make sacrifices, but still gathering intelligence information is difficult for the following reasons:

- a. Important places and valuable sources of information are placed in the trust of loyal, fanatic Party members who cannot be approached for any price.
- b. The whole population is kept under strict surveillance and terror, and only a few dare volunteer to assist in getting information.
- c. The task of forming a concrete cell for one or two people is too dangerous. Even if a man's personal ties and feelings are anti-Bolshevik, the material and money he receives is not enough to make a cell workable. Even if it were, he would not know where to start and what to do with the money and in all probability would sell himself.
- d. Eighty percent of the informants are being caught on the well-guarded border, or in the interior of the country in the net of the well organized security organizations. When this happens, information and tips are taken in by the Communist Party and used as propaganda, and, in the best case, the man is sent back as a double agent.
- e. The lucky few who manage to get through to their cells carry unimportant messages and they usually have double meanings.

The Hungarian security measures are patterned after the Russian system. Even Hitler's well organized intelligence was unable to counter the Russian's intelligence. They miscalculated the Russian tank divisions by fifteen (point of interest only). They are organized into cell type organizations with a singular leader (one head). The smallest units work in harmony and probably everybody knows what is going on within the cell. The disposition should be together to make possible offensive. They report accurate and complete information.

The Anti-Bolshevik Agents, Organizations and Functions:

After the war the Western countries failed to pay sufficient attention to intelligence. France was busy cleaning up after the German occupation and the war damages. The USA and England had not been affected by ground troops so they failed to recognize the importance of continental intelligence and they lost the chance to get valuable practical experience in that field. A few years after the war, the Western missions were forced out of the main satellite cities. The trusted Allies in the cities were forced to flee or were jailed. Unnoticed, the Iron Curtain slowly descended. The Western Parson Council and Federation units were given a few hours notice to liquidate their affairs and leave. Only then did the Western countries realize the necessity of an intelligence net. With feverish haste they tried to correct their mistakes, which brought about the present condition. They tried in many ways to get information past the Bolshevik security measures, but even securing minor bits of information proved to be a major problem. In this hurried start, the organizations were haphazardly put together and the missions were not thoroughly outlined and coordinated. The different Western countries and different organizations continued to cross each other and a rivalry took place. At times they cut bid each other for the same piece of information and objective. The occupation forces had no organization which could use the unfortunate As in Austria and Germany. These people would have gladly helped in securing information. The leaders entrusted to get information did not understand the Soviet system or the

Hungarian situation and circumstances, and most of all the fundamental methods of gathering information. In the intelligence gathering sections there were few persons who had any experience in that type of work. The work was specialized not for quality but for quantity. The agents and supervisors were given missions without careful preparation. During the information was done in a haphazard manner usually resulting in compromising the agents and superiors. Prior planning was mission as was security and secrecy in the missions. Frequent changes in personnel added to the confusion. Persons without thorough clearances and with neither training nor adaptability entered the intelligence organizations. The Hungarians were suspicious and agents were unable to convince them of the sincerity of the mission, since they had no proper identification. This increased the growing compromise of the agents and scared the informants. Through this, the enemy received gratis information as food for their propaganda. Through this disorganized system, the agents would mix up the information and, to add value to it or strengthen it by over emphasizing its importance. This paragraph deals with the fact that there was no created net. The Agents, when they decided they had made enough money, would change their names and countries, usually leaving behind the names of other agents and their background as far as their mission was concerned. After all these mistakes and shortcomings, the situation today is as follows:

- a. There is no power that is satisfied with the existing intelligence net in Hungary
- b. In the occupied country, a loyal intelligence organization, built from within is not created by any power
- c. The intelligence nets and informants are known to the Bolsheviks and are being watched
- d. There are the trained agents fled the occupied country or at present have not volunteered their services. The background of the new recruits in the organization is hard to determine.
- e. The majority of the informants (couriers) are compromised, or return without any results
- f. Relating to gathering information from refugees, the refugees go from power to power and when they see that there is money in information, they magnify their stories to fanatical levels to gain a higher price.
- g. Agents and informants usually make up stories just to keep their positions secure in the organization. Not only are they dishonest, but they confuse their few friends and confederates.

To sum it all up, the anti-Bolshevik intelligence net in Hungary is bankrupt and all previous organizations and methods have not produced any results.

This system of using tomahawks against concrete bunkers and machine guns caused the liquidation of 200 - 300 agents and informants sent in from the West. At home (in Hungary), the normal rate of agents and informants being compromised is 900 - 1000. Since 1948, 1,000 foreign agents and 5,000 home agents have been sacrificed on the altar of intelligence. This is five times the amount lost in Korea by the combined Navy and Air Forces. There is no comparison to the results of the intelligence gathered to the 5,000 fanatical Hungarians who were lost to the enemy. Up to now, the systems

produced no results and if it continues the same in an occupied country, the Bolshevik security measures are going to increase cutting information off completely. Slowly (in the Western countries) the agents and informants will disappear and even the information secured from refugees will be unreliable. If it continues the same way, Hungary will be an unknown area in the intelligence circles of the USA. In the meantime, other powers are realising the situation and are putting new systems into effect. The fault now does not lie in the lack of funds, material or trained agents, but in the lack of a good system. We are faced with a time element, and now is the time to bring in new ideas and build up the bankrupt organization. The initial start was wrong before. A new organization on a different basis has to be built and put in operation. It has to be understood that at the present time there is no possible organization in existence. What does exist is insufficient and had to be rebuilt from the beginning.

II. PROBLEMS AND THEIR CONSIDERATIONS

The duties of agents and informants are to penetrate the enemy's defense and secure reliable information. The actual strength of the power is tried and proven on the battlefield. The outcome of this decides the fate of the nation. For the leaders of the powers it is important that they be supplied with complete and reliable information about the enemy continuously when important decisions are to be made. Maximum success can be attained only through proper intelligence nets with missions given to them. The situation is that all relations without the proper intelligence leaves you selling yourself short. Intelligence nets should be organized in peace time in order to be successful in time of war. The war affects the mental attitude of the people and the country is measured by its economical and military strength. One incident following another growing larger each time eventually leads to a shooting war. The intelligence net should be in all government offices so that the doors are always open and information can be supplied whenever needed. The final aim of war is break the fighting power of the enemy. During the time of war, intelligence has to be in the inner circles at the highest level to learn the strength of the enemy. Before the war you must find out the weak spots of the enemy so the attacking forces will know the direction and road to follow for success.

In modern warfare the fighting goes on in front and behind the enemy lines. In a country at war the opinions of the people in large areas cannot and should not be disregarded. Naturally, only when a shooting war starts, can these people become active and work behind the lines. These people have to be contacted and organized by the net before the shooting war starts, this includes the provision of material and leadership. The intelligence net should be well organized not only to secure information, but also to spread propaganda, to perform economic sabotage and to create partisan uprisings. The leaders in the country gathering information should not be the factors in deciding the importance of information. It should be combined from the inside and outside keeping in mind the overall picture. Then the results will be complete and they will be working in harmony. The importance of obtaining information about security systems cannot be overemphasized when dealing with the Bolsheviks. In modern war well organized security still cannot counter all information gathering units. Secret services, Veto Hari's and raid agents are a thing of the past. Before work can be started and valuable agents sacrificed the organization has to be built up on a broad basis to produce successful

results. Only movements on a broad basis with life and a fanatical spirit can hope to have sources of information at their disposal. Even with the above conditions, all missions will not succeed. Somehow the policies of the Communist Party should be adopted. In the first place the ideology and spiritual preparation with will to win has to be indoctrinated before missions can be assigned. This organization must be patterned directly opposed to the Bolshevik doctrine. Its doctrine must be to work and build for freedom and for the downfall of the Bolsheviks. If this succeeds, the problem will solve itself and the seed will be easier to plant. The aim and solution to this problem would be a nation-wide military underground movement. All military strength should be combined in a Hungarian inner movement patterned after Tito's movement so that it affects everybody. A movement of this type

- a. Can use the anti-Bolshevik struggle and all the results and arguments of the cold war.
- b. Is not affected by foreign politics
- c. Can be a bi-partisan movement and can be absorbed by the entire nation
- d. Must be a movement on a military basis, capable of being tied in with neighboring countries having similar movements
- e. Will be expanded and made active. (It will support intelligence units, giving them necessary support and be used for sabotage and armed uprising.)
- f. Will be easily concealed.
- g. Will loosen up the Bolshevik security measures.
- h. Will use ideology, fanaticism and opportunism to win over individuals for intelligence purposes.

At present, there is no underground movement in Hungary. In a Soviet occupied country, this type of movement cannot be born without outside aid. The underground movement and its establishment naturally does not fall in the subordinate circles. The present events taking place in the world have pushed Hungary into the background. The actual question is, "Has the time arrived for such a movement and should the people be prepared and alerted for one?" If the answer is yes, this preparation work should start immediately, for valuable time is being lost and is irreplaceable. Previous intelligence experience will be employed to make the units' work easier. In the final outcome, there must be a nation wide movement which will find the whole hearted support of the people and which will supply the necessary information units.

Practical Aim.

A nation wide underground propaganda movement with successful intelligence sections on a broad basis. An occupied country's spiritual feelings have to be prepared for life's work in the underground movement to make a successful intelligence organization which is centralized and secure.

III. ALTERNATIVES

- a. There is no necessity for an underground movement. Advantages: There are no new problems. Disadvantages: Giving this key country to the adversary.

- b. There is no necessity for an underground movement. Advantage: The possibility for integration will not arrive. Disadvantage: Strongly questioned, how it will stand later if there will be a possibility to build up a movement.
- c. The underground movement will be built up by a European power. Advantage: The USA will not be concerned with it, yet they will benefit. Disadvantage: The European rivalry will cause unforeseen possibilities during and after the war.
- d. The underground movement built up by the USA through emigrant units. Advantage: The influence of the USA is secured. Disadvantage: This type of movement would be hard to conceal, and it would be very doubtful if the occupied country would trust them (emigrants).
- e. Movement under the Atlantic Pact Nations, commanded by General EISENHOWER. Advantage: Under this supervision, there will be no rivalry amongst the nations. Disadvantage: the foreign political situation is very unstable.

IV. PROPOSAL

It is proposed that an underground movement be built up in Hungary with direction and missions from the USA. Advantage: the influence of the USA is secured and, in spite of the Soviet occupation, it can be kept secret that the USA is helping. Foreign politics will not complicate the situation. You will have an active, trusted organization which will assist in establishing intelligence organizations. Disadvantage: Special staffs will be necessary and it will take a long time to form them.

V. OVERALL PLAN OF BUILD-UP AND FUNCTIONS

- 1. Authority and direction from competent USA organs, to define and determine the tasks and functions in outline. Control should be in a US organization or a trusted person. The decisions should come from top level. At least from the US intelligence section leader in Europe or from the highest US military leader in Europe. Only with this type of support will results be assured and will the different sections function together.
- 2. A small staff of agents and informants should be made, combined with experienced US and Hungarian personnel. Duties: collecting information, supplying, directing and leading the underground movement. Word must come only from high and trusted places. Hungarians and emigrants have to be checked carefully if the plan is to succeed. Double agents must be kept out of the organization. Give the informants the feeling of peace and security with backing. Don't give them the feeling, "I buy", "I sell" or bind them with limited periods of work only as a part time job. Agents naturally will not abide by that solution. There should be created in the US Zone of Free Europe a similar resistance organization to support the military units. Sooner or later there will be tasks which can be accomplished by these people.
- 3. The staff agents and informants will be: standardization of security, codes, timing and coordination, assigning of tasks, personnel, time and place problems, etc.

4. The illegal radio will do the following:
Broadcast the news and approach of the underground movement, with descriptions of important points. It will have to be well controlled to keep it secret and give the best results. Broadcasts must be kept to a minimum of once or twice a week on short wave. It will use the call words **NYN (NOT) (Nemzeti Ellenallasi Mozgalom) National resistance movement** and will give life and glory to the partisans and the intelligence gathering units. The news at first will be jammed and denied by Budapest and the press will in turn spread propaganda to the contrary. The station can be located in Germany or Austria as long as it is close to the staff.
5. Foreign and Hungarian emigrants must be organized to insure the success of the movement. It is necessary to alert the homeland on a broad basis, so that the agents and runners will be working together for the same interests. (Inside and outside tip collecting, direct refugees, and use all other inner connections, etc.) Methods: by foreign and Hungarian radio and press services.
6. The USA-Hungarian relations in security service requires standard centralization. Essential central defense should be openly installed. It is necessary in order to clean out the agencies and add to the effectiveness of the security. A network thus made would remain and there would be closer harmony among the units.
7. The US-Hungarian relations in intelligence centralization: The Hungarians must assist in improving the quality of the work, produce couriers and informants, furnish concealment for activities, provide security and in general assist in organizing the unit. Other powers have already set up their own intelligence movement into Hungary. The mistakes made by the present German organization must not be repeated.
8. The US-Hungarian relations in counter intelligence: The Hungarians must work in harmony and unity with all the intelligence agencies. Security questioning of refugees, and "tip collecting" should all be done by overt, presently established security units. With this relationship the substance of their work, accomplishments and arrangements will be done in secret and will be continued.
9. Breaking down the Hungarian-Bolshevik security agencies will be done by propaganda against the political police, border guards, Party members, and state officials, etc., and by radio propaganda and smuggled in pamphlets and gummed posters.
10. Establishing overt US-Hungarian organization or connections. It is necessary to conceal the aims of the covert staff. It will also serve as cover for the idle messengers, and the agents forced to flee. It will provide informants and perform other tasks that come to mind.
11. Qualified agents and messengers will be sent in to establish the net. Only after coordinating the security and information gathering agencies, and sifting out and training messengers, can the real information collecting

start. In the occupied country the important task is to draw together and tighten the net. As long as the refugees are arriving and are being interrogated, the reporting (of agents) isn't important. What is important is that they will be able to report when necessary. Reports from persons sent in from the outside are not worth as much as the information supplied by a refugee who had fled a year before. At a later date, the agents can make a few true restricted reports with utmost caution. It would be a shame to bring about the fall of the newly organized net.

12. The work of the agents will be: gathering the necessary information, insuring the security and functions of the net, screening out the enemy, knitting the organization together and bringing it to perfection, solving problems and mistakes learned through experience, and correcting all deficiencies.
13. The defector program will attempt to discover the play-actors in the Bolshevik system, the system's plans, functions and weak personnel. It will try to build the network from the standpoint of quality and specialists, by using material and money to bribe or assist personnel to desert. The information they furnish and material they bring with them (codes, movements, plans) is what the agencies strive for.
14. Organize the supporters of the movement outside the country. At a later safe date under confidential conditions announce to the resistance movement within the occupied country that they have supporters on the outside. This will strengthen the resistance movement and they will prepare themselves for whatever follows. Through this the work will be easier and have more freedom of movement. For the objective and aims, through friendship make perhaps, two additional movements could possibly be started, one in Western Europe, one in Yugoslavia. The system could make a compromise with the interests of the Hungarian Titoists in mind.
15. Tying together the resistance units in the homeland: If propaganda gives the aim of the movement, friends and relations will form small and large resistance groups. The agents and messengers sent in will also aid this movement. These groups will be informed to protect, shelter and be at the disposal of the information net. When the support from the outside is announced, the inner movement will be accepted and move along easily. With this, information will start flowing out of the occupied country from the various established sources.
16. Firmly establishing the information gathering net. The contact and relations with the ethnic Hungarians minority in the surrounding countries remains alive and unchanged. This is done by the media of letters, visits, sports, culture, etc. They profess that they are of Hungarian origin. The movement will enlist this three million minority because of their location. With this border territorial coverage, sooner or later the network will encompass soldiers of the Soviet occupation troops, thus enabling a possible penetration of the Soviet net.
17. As the united powers headquarters develops, it will eventually become necessary to decide on who will sponsor and control resistance movements. If the US already has such an organization, she will be the natural leader. A strong intelligence service will help to assure US control.

18. The work of the inner resistance movement: To become active when necessary. To work to bring about the fall of the Russian and Hungarian armed forces. To perform economic and military sabotage.
19. Materials. The furnishing of material and supplies will be determined by the organization's growth. To put the proposal in effect will not cost the USA more than its present system of gathering information.
20. Considering the time element. The start is dependent on, the general political situation, the measure of support, the acquiring of personnel, and the possibilities of success. One year after formation, the reports should be on a very high level. It should be started soon because all the experienced personnel are emigrating to other countries.

VI. SUMMARY

In all information gathering agencies, the plans have to be in complete harmony and the founders have to have great resolution and inspiring aims. Without that and the understanding of the details all the other plans formed and all proposals are just wishful thinking until planted with good intentions and endeavor. One thing is certain that in the initial stages and organization the USA will need an experienced specialist workers system. Perhaps the time has already arrived to engage and to utilize meritoriously those personnel who have a common cause and concern.

APRIL 1961